

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant

████████████████████

Case Number: ██████████

vs.

Respondents

Citigroup Global Markets, Inc.
LPL Financial LLC

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Associated Person vs. Members

REPRESENTATION OF PARTIES

For Claimant ██████████: Michael Bessette, Esq., AdvisorLaw, LLC,
Broomfield, Colorado.

For Respondent Citigroup Global Markets, Inc. (“Citigroup”): David I. Hantman, Esq.,
Bressler, Amery & Ross, P.C., New York, New York.

For Respondent LPL Financial LLC (“LPL”): Jon D. Kaplon, Esq., LPL Financial LLC,
Boston, Massachusetts.

CASE INFORMATION

Statement of Claim filed on or about: July 27, 2017.

████████████████████ signed the Submission Agreement: July 28, 2017.

Statement of Answer filed by Respondent Citigroup on or about: October 18, 2017.

Citigroup Global Markets, Inc. signed the Submission Agreement: September 28, 2017.

Statement of Answer filed by Respondent LPL on or about: October 5, 2017.

LPL Financial LLC signed the Submission Agreement: September 6, 2017.

CASE SUMMARY

Claimant asserted the following cause of action: expungement.

Respondent Citigroup asserted that it properly disclosed all sales practice claims.

Respondent LPL asserted that it properly disclosed all sales practice claims.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of occurrence numbers [REDACTED], [REDACTED], and [REDACTED] from her CRD records and \$1.00 in compensatory damages.

In the Statement of Answer, Respondent Citigroup did not oppose Claimant's request for expungement. Citigroup requested that Claimant's request for compensatory damages be denied and that all forum fees be assessed to Claimant.

In the Statement of Answer, Respondent LPL did not oppose Claimant's request for expungement of occurrence numbers [REDACTED] and [REDACTED]. LPL requested that Claimant's request for compensatory damages be denied and that all forum fees be assessed to Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that she has read the pleadings and other materials filed by the parties.

The Arbitrator conducted a recorded telephonic hearing on March 22, 2018 so the parties could present oral argument and evidence on Claimant's requests for expungement.

The customers in the underlying claims did not participate in the expungement hearing. The Arbitrator determined that the customers received a copy of the Statement of Claim and received due notice of the expungement hearing and that the hearing would proceed without customers present. The customers did not oppose Claimant's request for expungement.

At the outset of the hearing, Claimant withdrew the request for expungement, of occurrence number [REDACTED] without prejudice. Claimant also withdrew the request of compensatory damages.

The Arbitrator reviewed the BrokerCheck® Report for Claimant [REDACTED].

The Arbitrator noted that Claimant [REDACTED] did not previously file a claim requesting expungement of the same disclosures in the CRD.

In recommending expungement the Arbitrator relied upon the following documentary or other evidence: pleadings, party submissions, Claimant's BrokerCheck Report, and the testimony of Claimant.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The Arbitrator recommends the expungement of all reference to occurrence numbers [REDACTED] and [REDACTED] from registration records maintained by the Central Registration Depository ("CRD") for Claimant [REDACTED] (CRD # [REDACTED]), with the understanding that, pursuant to Notice to Members 04-16, Claimant [REDACTED] must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directives.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous; and the claim, allegation, or information is false.

The Arbitrator made the above Rule 2080 findings based on the following reasons:

Occurrence Number [REDACTED]

The customer alleged that the Claimant engaged in illegal selling tactics, negligence, and mishandling of his account. The Arbitrator found that the customer called the Claimant and directed her to make the unsolicited purchase. Claimant was only following the direction of the customer when she was told to make the unsolicited purchase. The matter was settled for \$4,757.01 as a business decision. The Claimant did not contribute to the settlement. The settlement agreement was not available due to the age of the settlement.

Occurrence Number [REDACTED]

The customer alleged that the Claimant placed unauthorized trades in his advisory account on March 28, 2000. Claimant testified that the customer executed a customer agreement in which he authorized discretionary trading of mutual funds in his account. Claimant testified that the customer directly knew of and authorized the trades. The trades declined in value in 3 weeks and that the customer closed his account thereby losing money. The Chairperson found that the customer did have an account with the Claimant and that the customer opened a Strategic Asset Management (SAM) account and signed and executed a SAM Confidential Client Profile and Client Agreement thereby allowing Claimant to make all the trades in his account and for the same reason. In the SAM client agreement it states that the "Client hereby grants LPL or its IAR complete and unlimited discretionary trading authorization ...". The Claimant did not place unauthorized trades in his advisory account on March 28, 2000. In fact she spoke with the client several times prior to placing the trades.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee = \$ 50.00

**The filing fee is made up of a non-refundable and a refundable portion.*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as parties, Citigroup Global Markets Inc. and LPL Financial LLC are each assessed the following:

Member Surcharge = \$ 150.00

Discovery-Related Motion Fee

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers
with one (1) arbitrator @ \$200.00/decision = \$ 200.00

Claimant submitted one discovery-related motion

Total Discovery-Related Motion Fees = \$ 200.00

The Arbitrator has assessed the \$200.00 discovery-related motion fees to Claimant.

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single arbitrator @ \$50.00/session = \$ 50.00
Pre-hearing conference: December 4, 2017 1 session

One (1) hearing session @ \$50.00/session = \$ 50.00
Hearing Date: March 22, 2018 1 session

Total Hearing Session Fees = \$ 100.00

The Arbitrator has assessed the \$100.00 hearing session fees to Claimant.

All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATOR

Susan E. Maloney

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature

Susan E. Maloney
Sole Public Arbitrator

Signature Date

March 29, 2018

Date of Service (For FINRA Office of Dispute Resolution office use only)